GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:946
ANSWERED ON:28.11.2006
STATUS OF BALCO
Pallani Shamy Shri K.C .

Will the Minister of MINES be pleased to state:

(a) the present status of Government stake in BALCO;

(b) whether the Government has set up any Committee to sell the remaining Government stake in BALCO;

(c) if so, the details thereof; and

(d) the steps taken by the Government to protect the employees working in BALCO?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMI REDDY)

(a) : The present Government stake in BALCO is 49%.

(b & c) : The Share Holders Agreement (SHA) signed between the Government and Strategic Partner provides for arbitration clause under which, negotiations and conciliation are the first steps before referring the dispute to arbitration. The Government has constituted a Committee under the Chairmanship of Secretary, Department of Legal Affairs with Secretary, Department of Disinvestment and Secretary, Ministry of Mines as Members for negotiation/conciliation with M/s Sterlite Industries (India) Limited, the Strategic Partner (SP).

(d) : In the SHA signed in March 2001, provision was made not to retrench any part of the labour force of the Company for a period of one year from the Closing Date other than any dismissal or termination of employees in accordance with applicable staff regulations and standing orders of the Company or applicable law. In the event of any reduction in the strength of the Company, provision for an option to voluntarily retire on terms that are not, in any manner less favourable than the voluntary scheme offered by the Company was also provided in the SHA.